

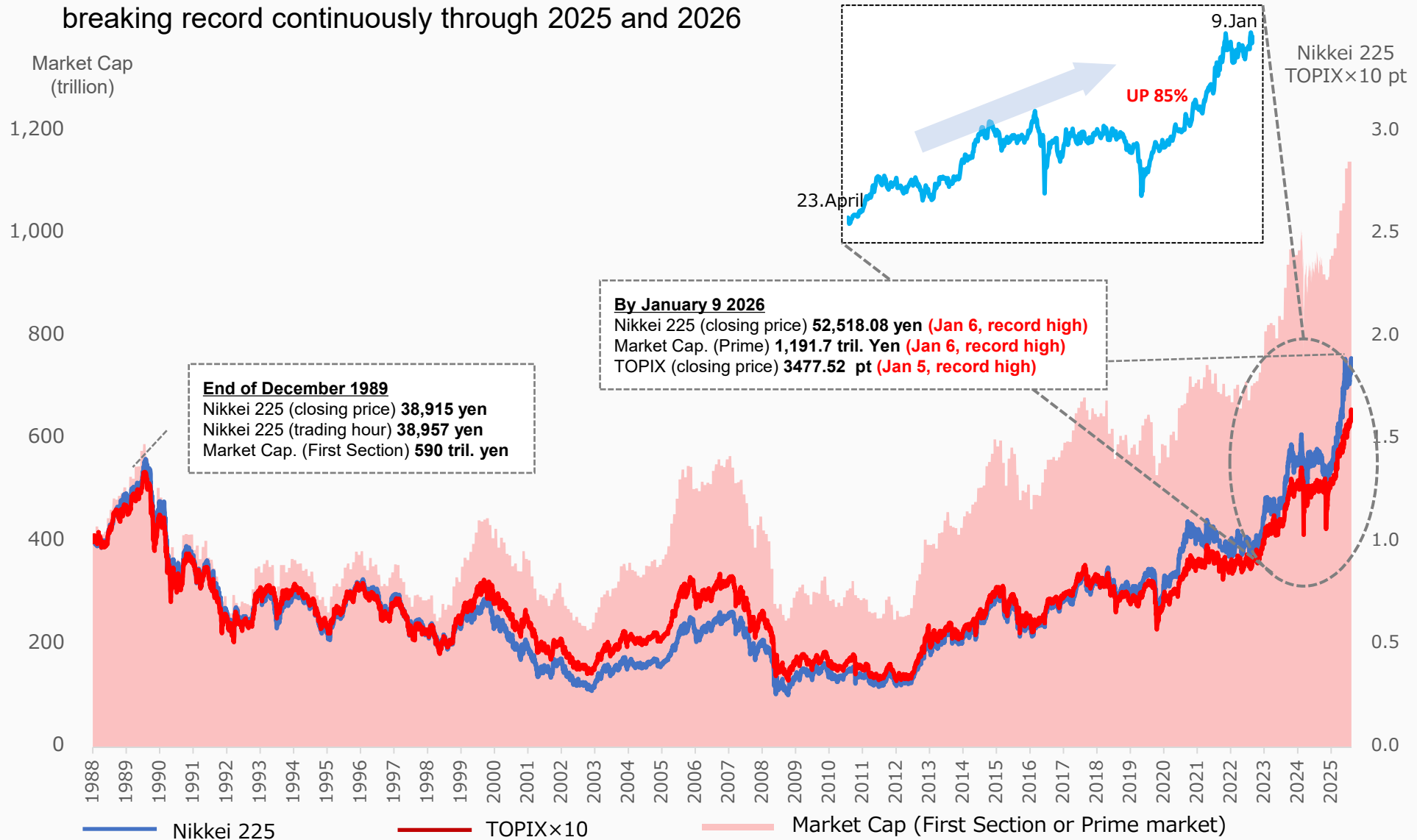
The Growth of Japanese Market Led by Japanese Companies

Japan Exchange Group
Group CEO, Hiromi Yamaji



Nikkei 225/TOPIX and Market Capitalization

- Japanese stock's strong performance, 2024 hitting the highest record in 34 years and breaking record continuously through 2025 and 2026

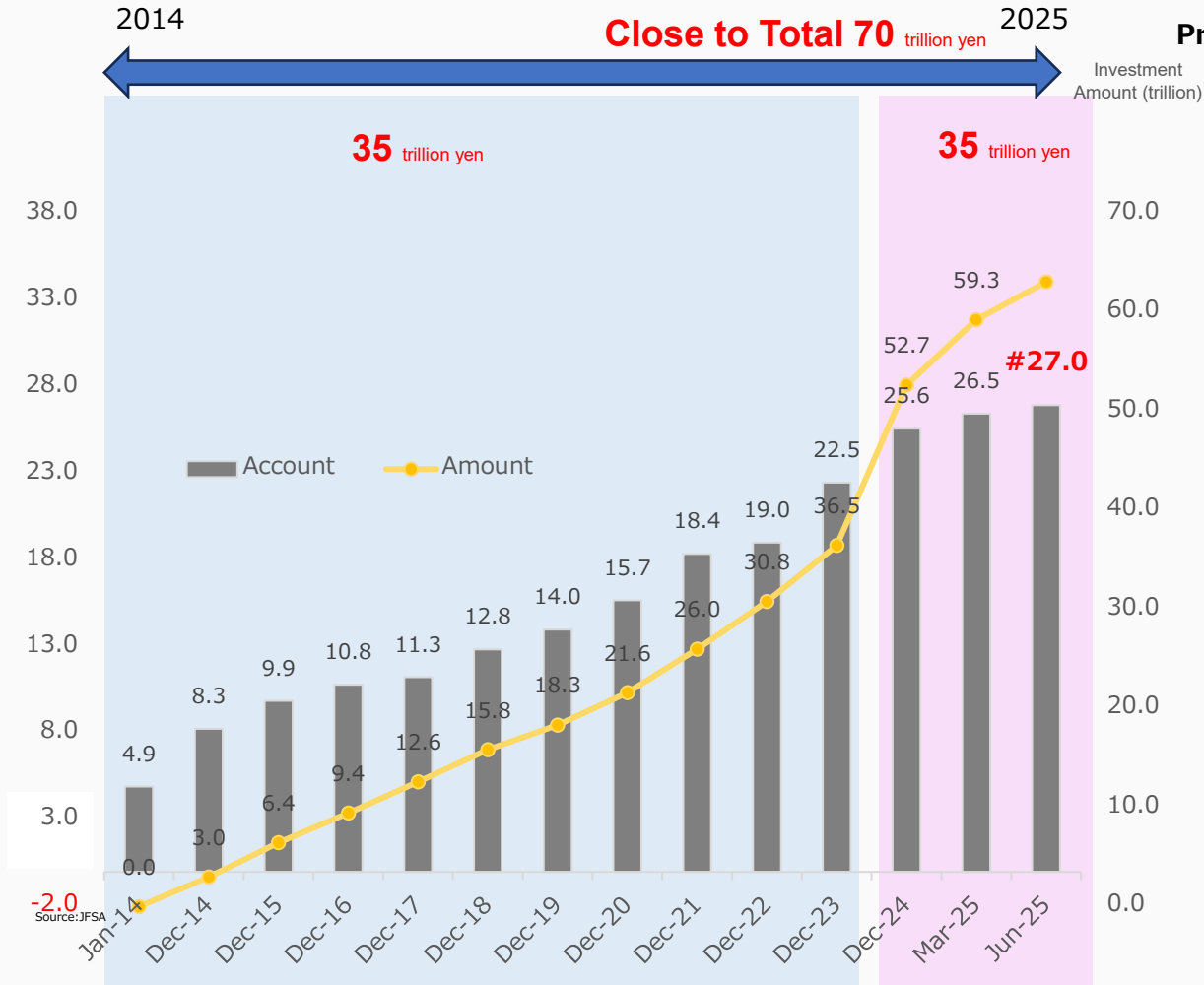


(Data period: 6/1/1988 – May13/2025 Market capitalization (right axis) as of the end of each month

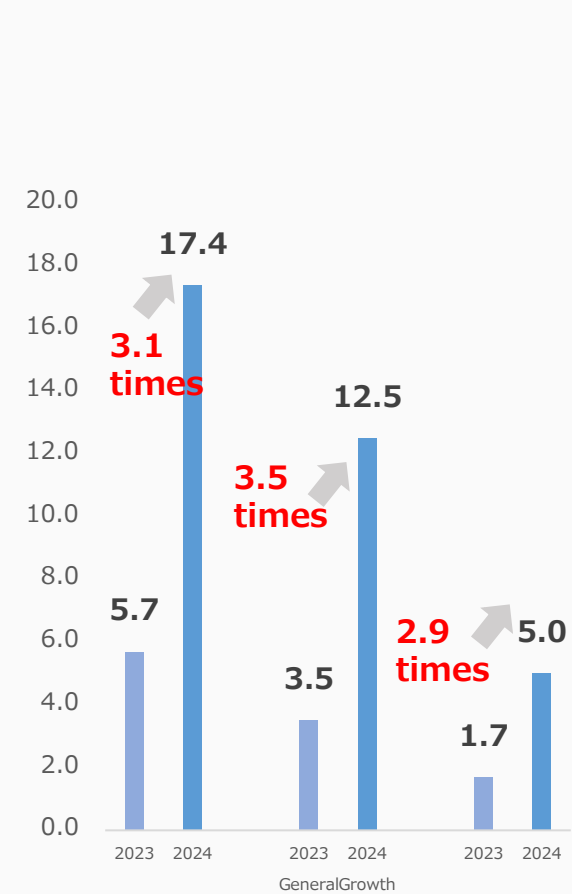
** Market capitalization on the First Section of the Tokyo Stock Exchange before March 2022, and market capitalization on the Prime Market after April 2022.

New NISA

Total Investment Amount & Accounts



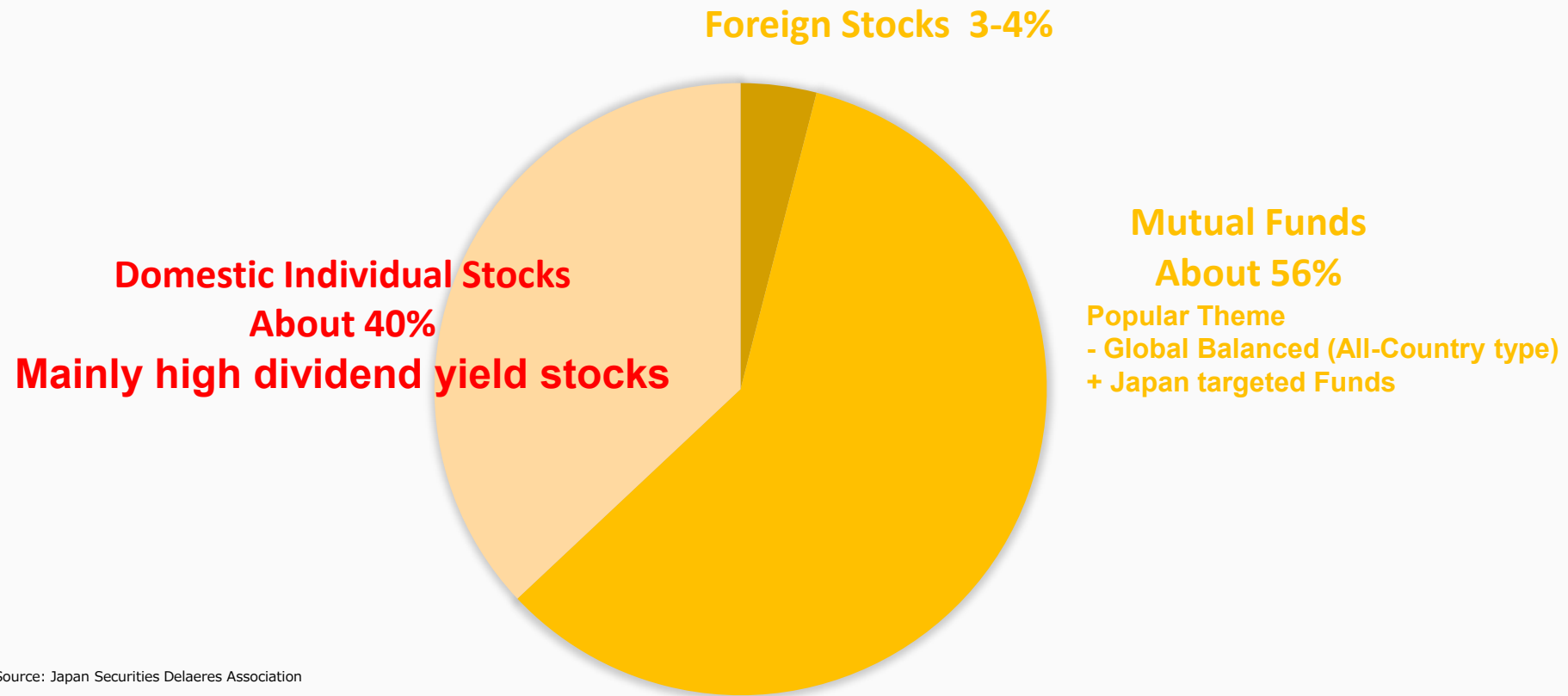
Previous NISA 2023 vs. New NISA 2024



※Japanese Government's 5-year target "NISA account" doubling to 34 mil. and "NISA investment" 56 trillion yen. In 2022, 17 mil. accounts, accumulative 28 tri. yen investment

New NISA 10 Major Brokers Jan 2024 –November 2025

Cumulative Purchases for Jan 2024 –November 2025
(5 major online and 5 major traditional securities companies)

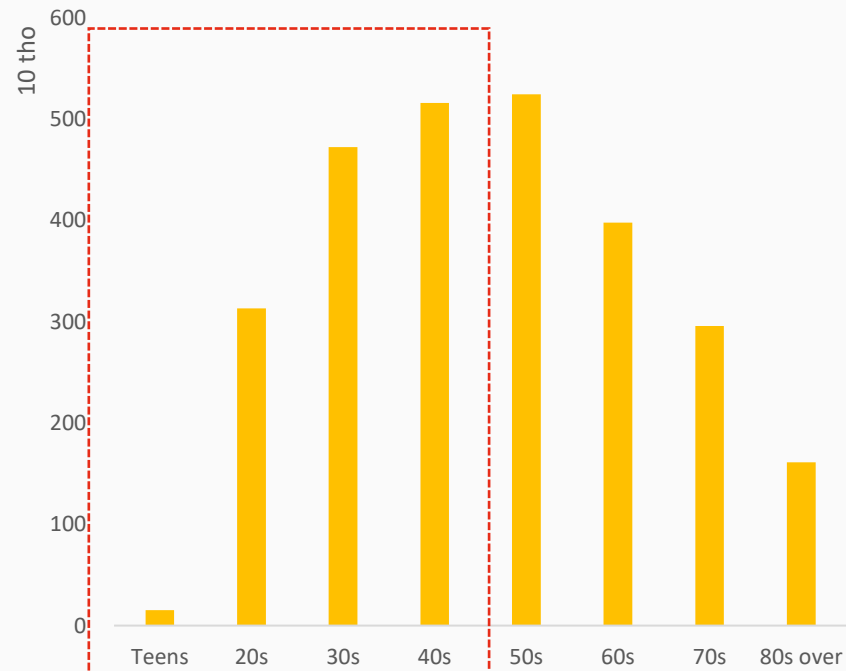


Source: Japan Securities Delaeres Association

New NISA by Age (End of June 2025)

Number of NISA Accounts

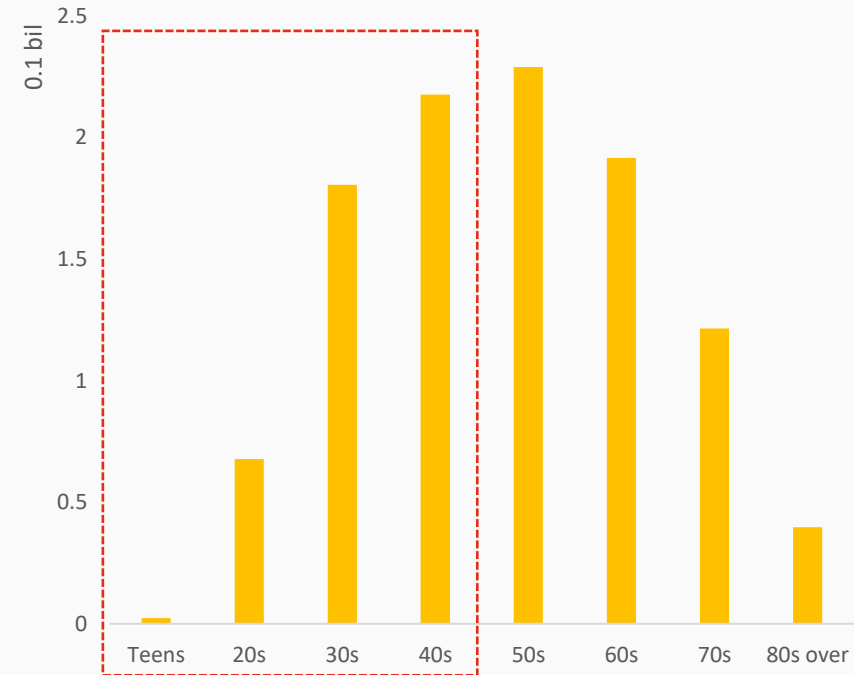
Under 50s ≒ 48.8%



Source: Compiled by JPX based on Japan Financial Services Agency

Cumulative Investment through NISA Accounts

Under 50s ≒ 44.6%



Catalyst: New NISA (Jan 2024-)

Until Dec 2023

Type	General NISA	Tsumitate NISA (Accumulative/Incremental)
Products	Stocks, Investment Trusts, etc.	Eligible Investment Trusts
Combinations	No - need to choose either one	
Annual Limit	JPY 1.2 million	JPY 0.4 million
Period	5 years	20 years
Total Limit	JPY 6 million	JPY 0.8 million
Reuse of Quota	No	No

From Jan 2024

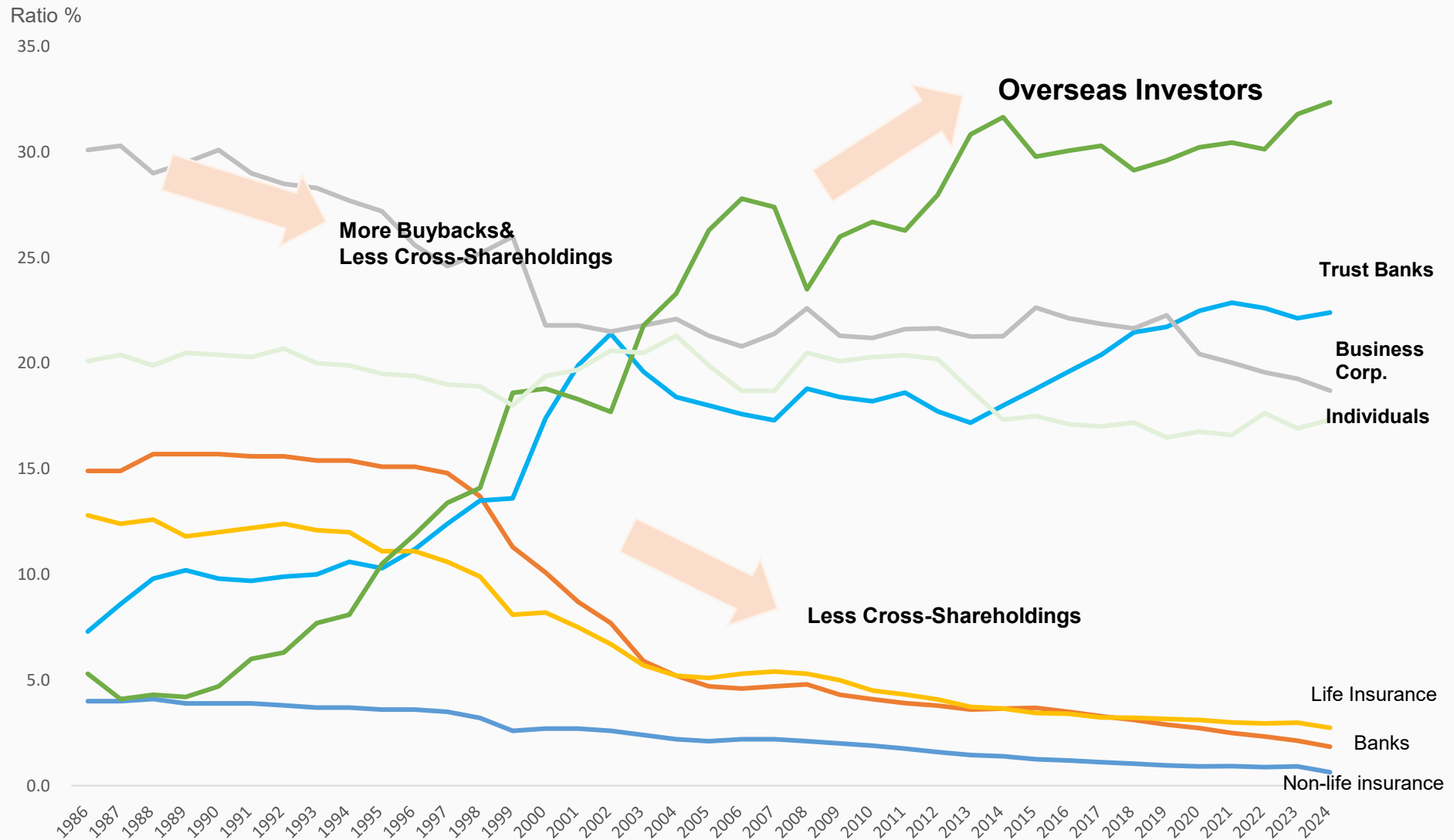
Type	Growth	Tsumitate
Products	Stocks, Investment Trusts, etc.	Eligible Investment Trusts
Combinations	Yes - able to have both	
Annual Limit	JPY 2.4 million	JPY 1.2 million
Period	Permanent	Permanent
Total Limit	JPY 18 million (JPY 12 million from Growth)	
Reuse of Quota	OK	OK

Source: Japan Securities Dealer Association

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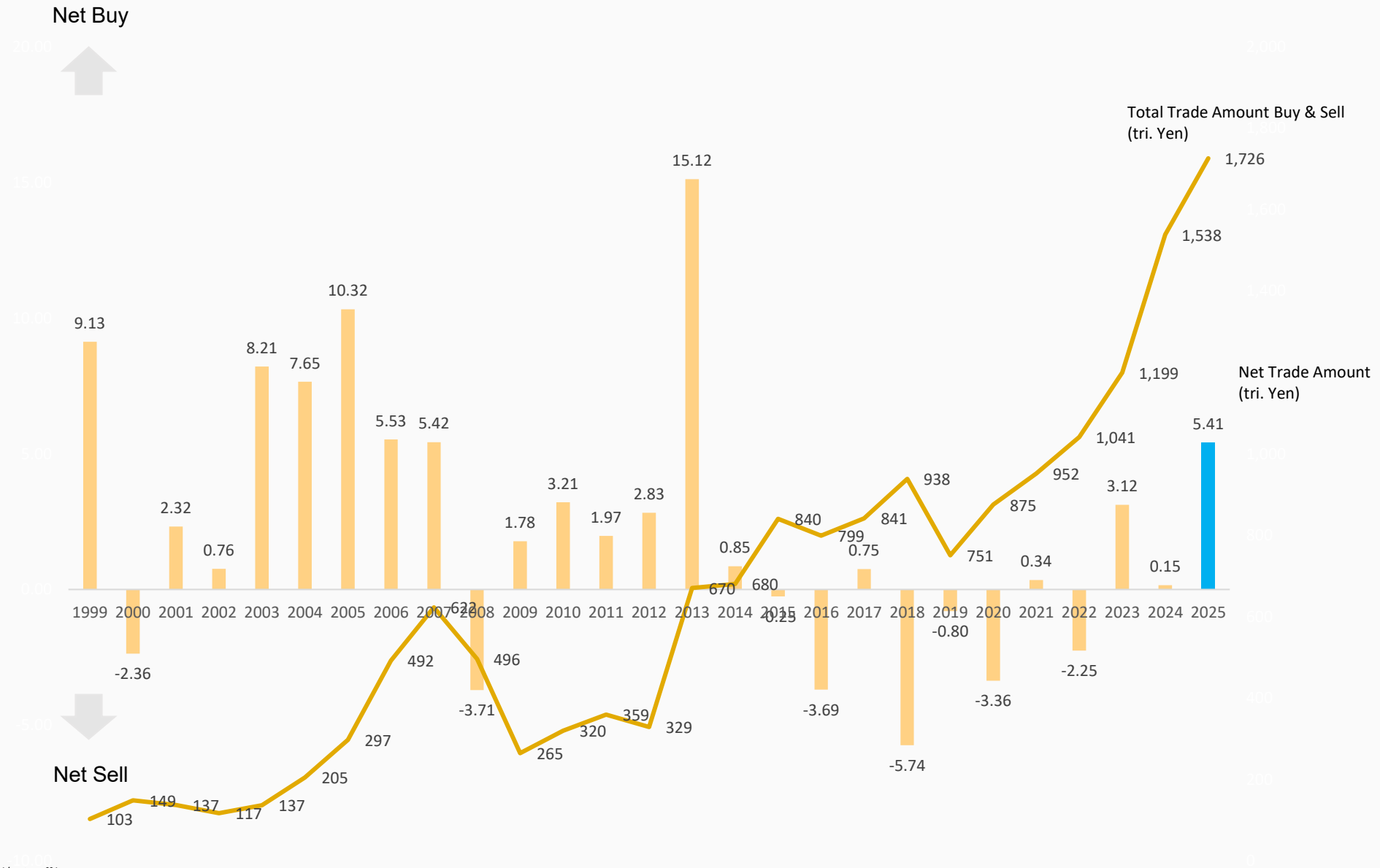
Share Holding Ratio by Investor Category (on a value basis)

- 32.4% are held by foreign investors, 17.3% is retail investors.

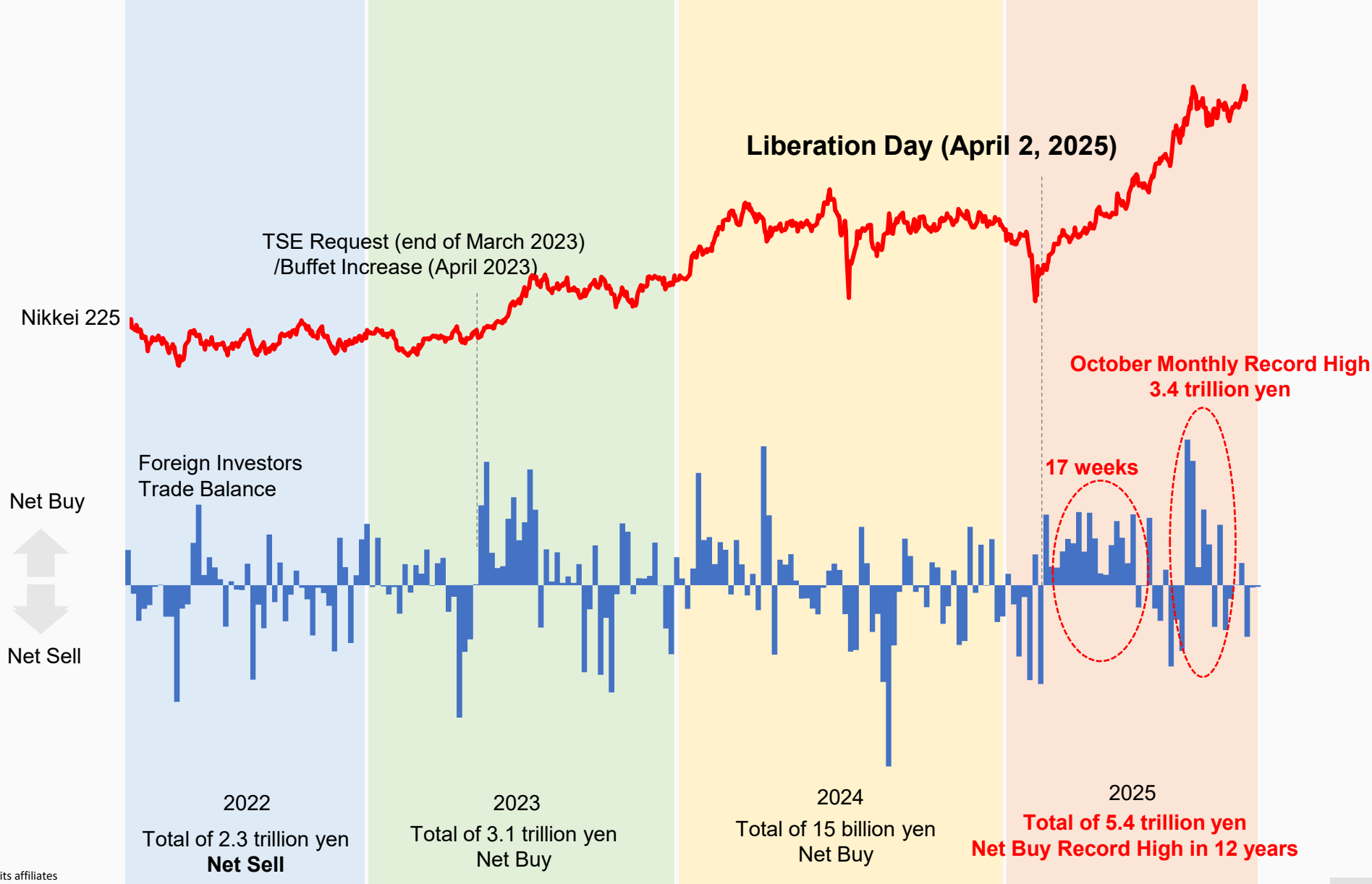


Tokyo Stock Exchange, Purchase and Sell Total Trading Value by Investor Category (Monthly) Tokyo + Nagoya

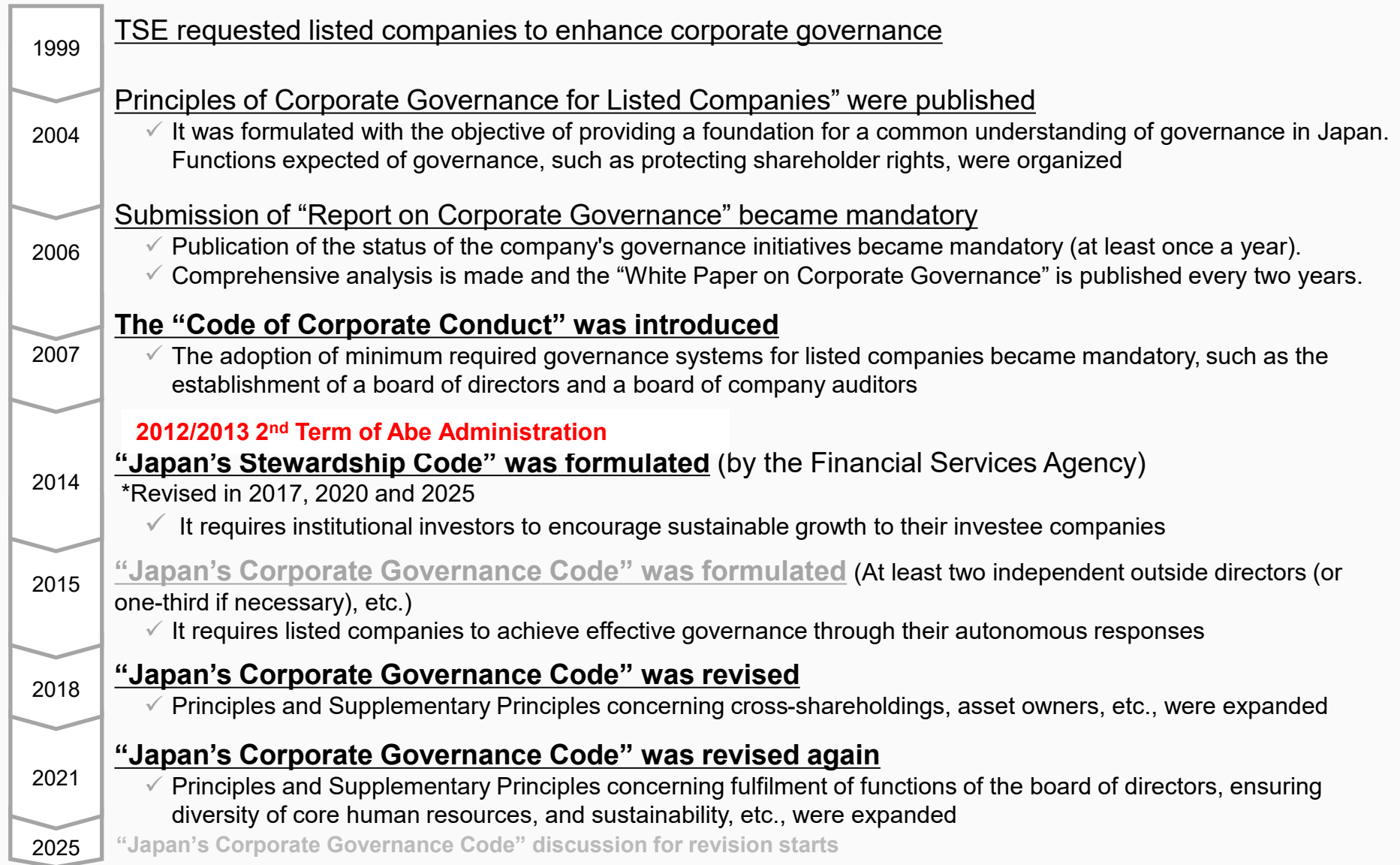
Foreign Investors Investment Trend (Total Buy & Sell/Balance)



Foreign Investors' Trade Balance (Weekly) 2022-2025

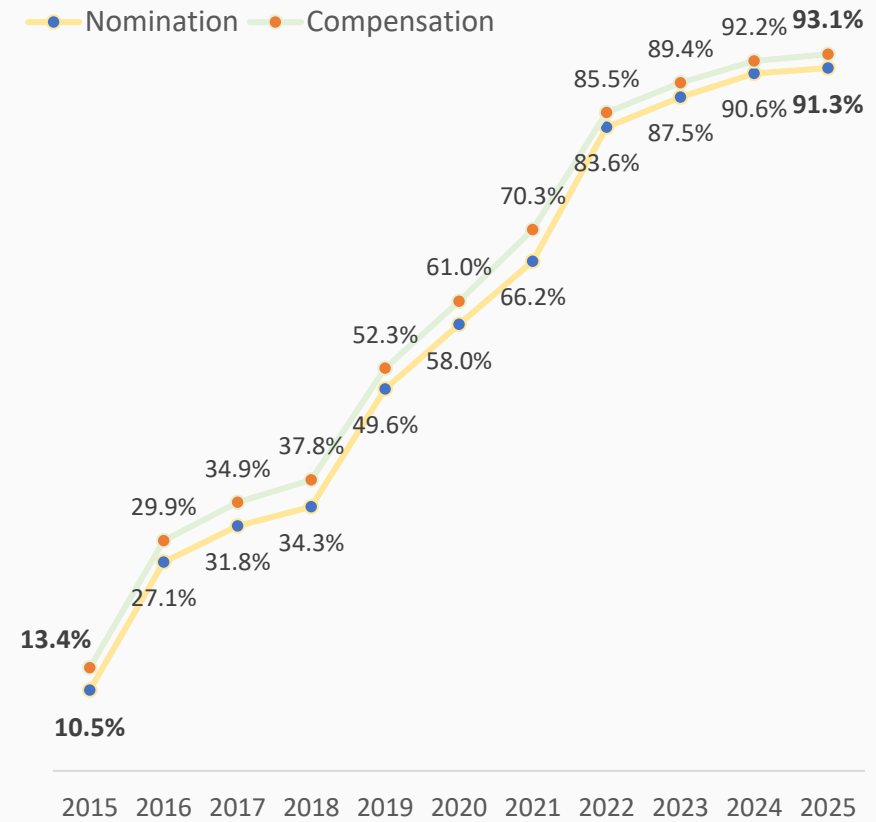
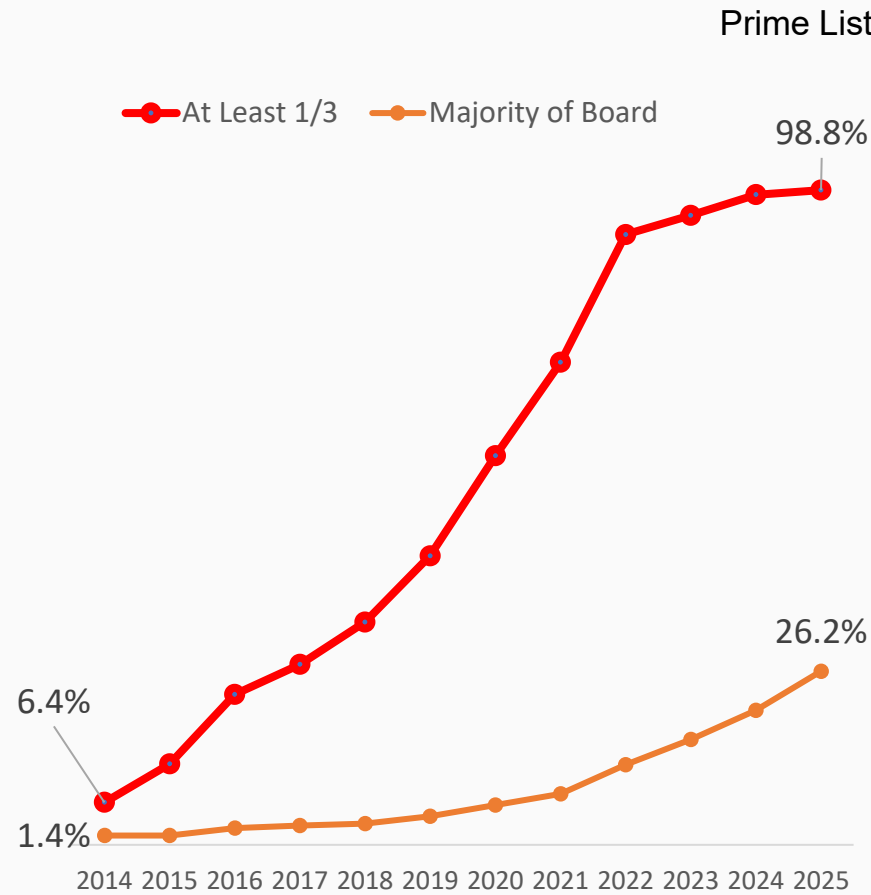


History of TSE's initiatives : Corporate Governance Reform



Board Independence And Committees Nomination & Compensation

- The number of independent directors have increased



TSE Market Restructuring - Request for Capital Efficiency

- 2022. April, TSE set up 3 market segments for the cash equity market.
- Each market has a different concept, and companies can choose which market to list on according to their stage of development.

Market Segments



Prime

Center their business on constructive dialogue with global investors

Standard

Sufficient liquidity and governance levels to be investment instruments

Growth

High growth potential



Number of Companies

1,599 Companies

1,569 Companies

614 Companies



Market Cap

7,378 billion USD

209 billion USD

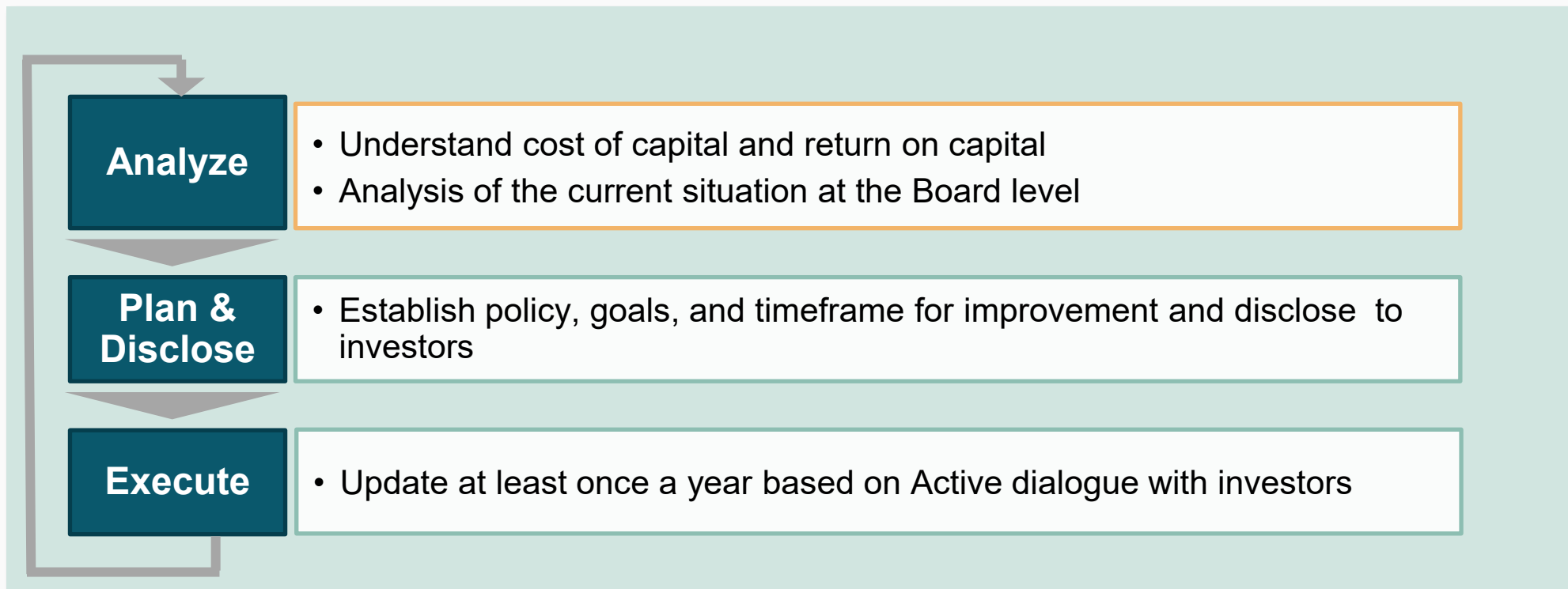
57 billion USD

Note: 1USD = 156 JPY
Source: TSE as of the end of December. 2025

Request “Management to be Conscious of Cost of Capital and Share Price”

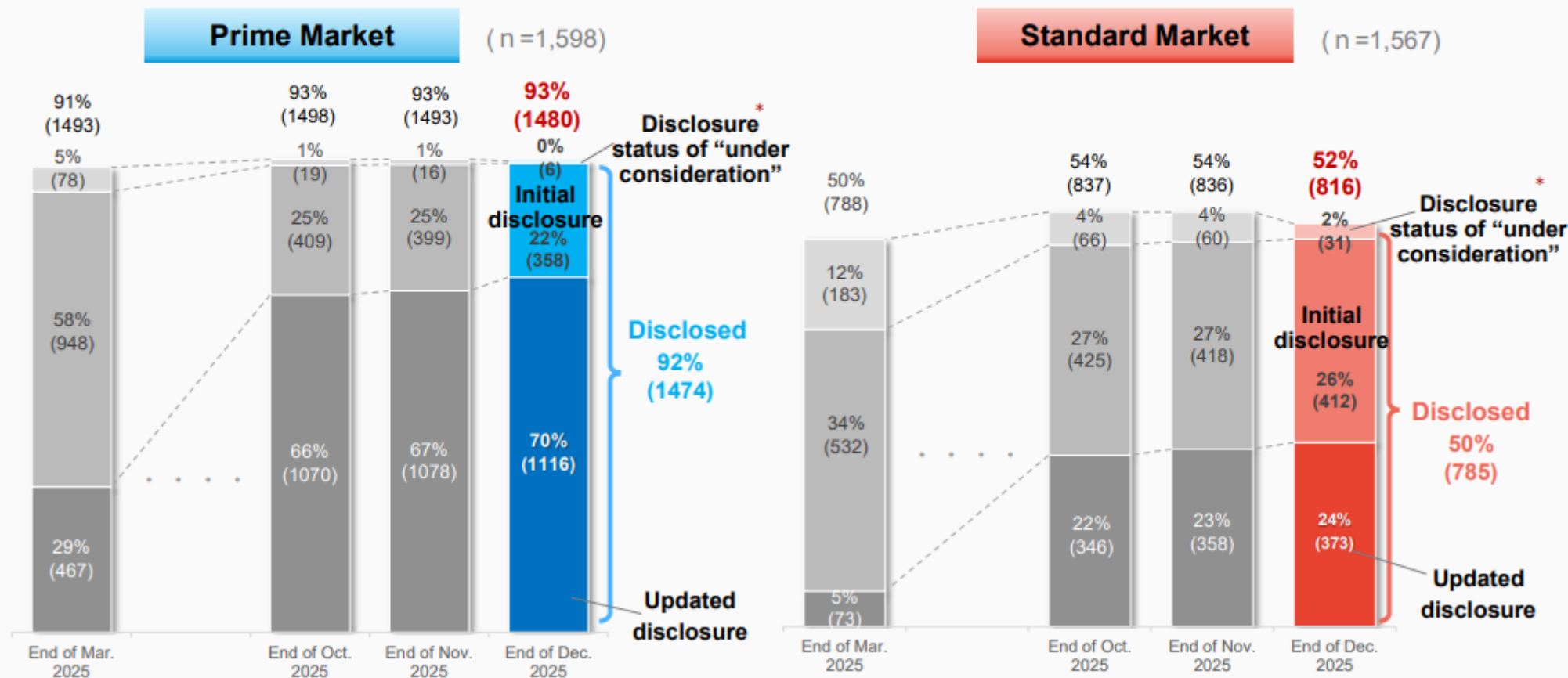
- End of March, 2023 TSE made the request to promote constructive dialogue between companies and investors.
- On January 15, 2024 TSE started publishing a List of Companies that have responded to the request (Updated monthly).

Request Calling Prime & Standard Companies to take 3 steps



Disclosure and Update Status

- ◆ **93% of Prime Market listed companies (1,480) and 52% of Standard Market listed companies (816) have disclosed.** (Including companies with a disclosure status of “under consideration”.)
- Of the disclosing companies, **1,116 companies in the Prime Market and 373 companies in the Standard Market have updated the contents of their disclosures** after making their initial disclosures.



Misalignments, Case Studies, and Initiatives Toward Issue Resolution

Step 1. Learn About Misalignments Between Companies and Investors' Perspectives



Compare the misalignments likely to occur depending on your company's situation and use them to analyze your company's initiatives

Cases Where Companies Are Not Aligned With Investors' Perspectives

- Ten examples of misalignment at three levels of implementation status

Step 2. Consider and Improve Initiatives



Use the key points and examples provided to promote initiatives that take into consideration investors' perspectives.

Updated

Explanation of Key Points Considering The Investor's Point of View



New

Case Studies of Companies' Initiatives Toward Issue Resolution (6 companies)

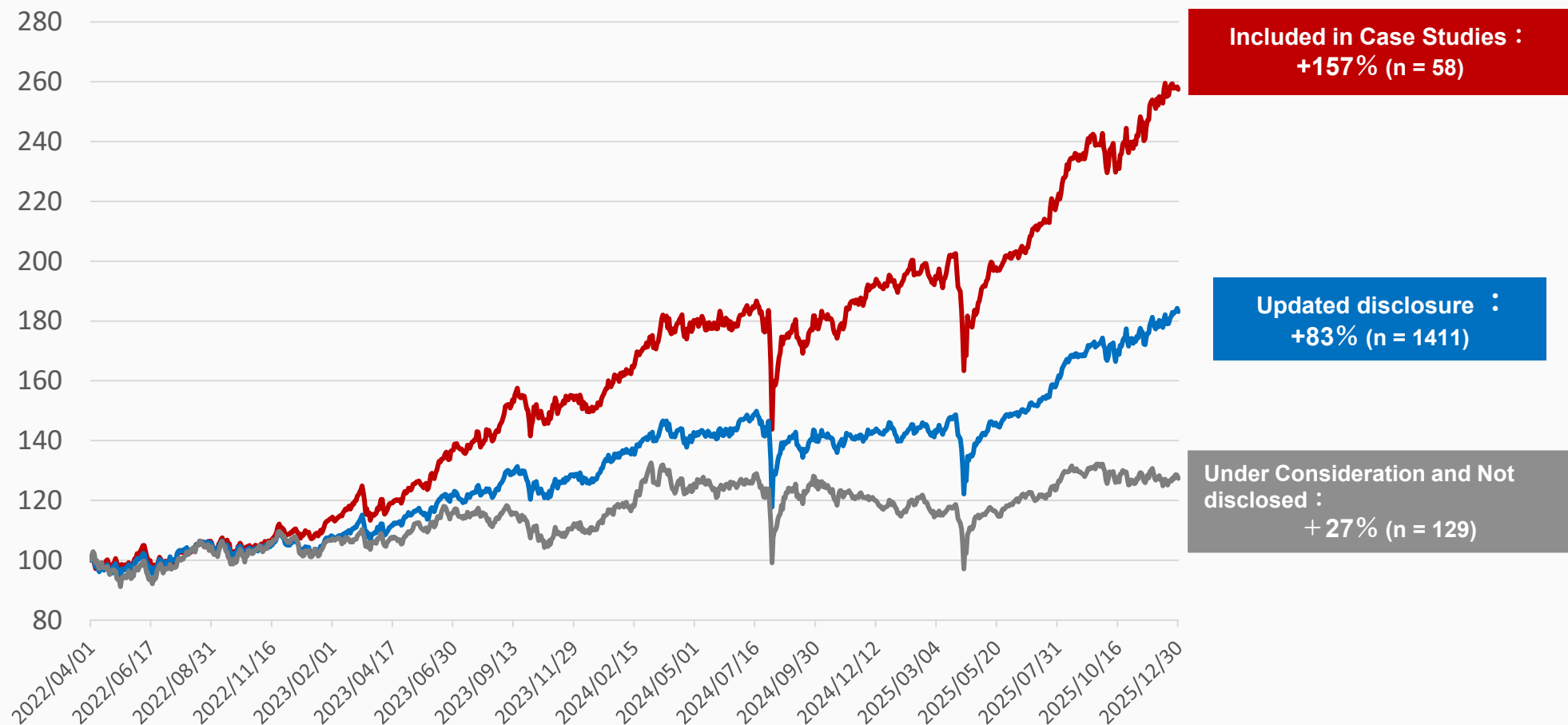
- Examples of processes by which companies solved issues

New

2025 Case studies (33 companies) (& 2024 Case studies)

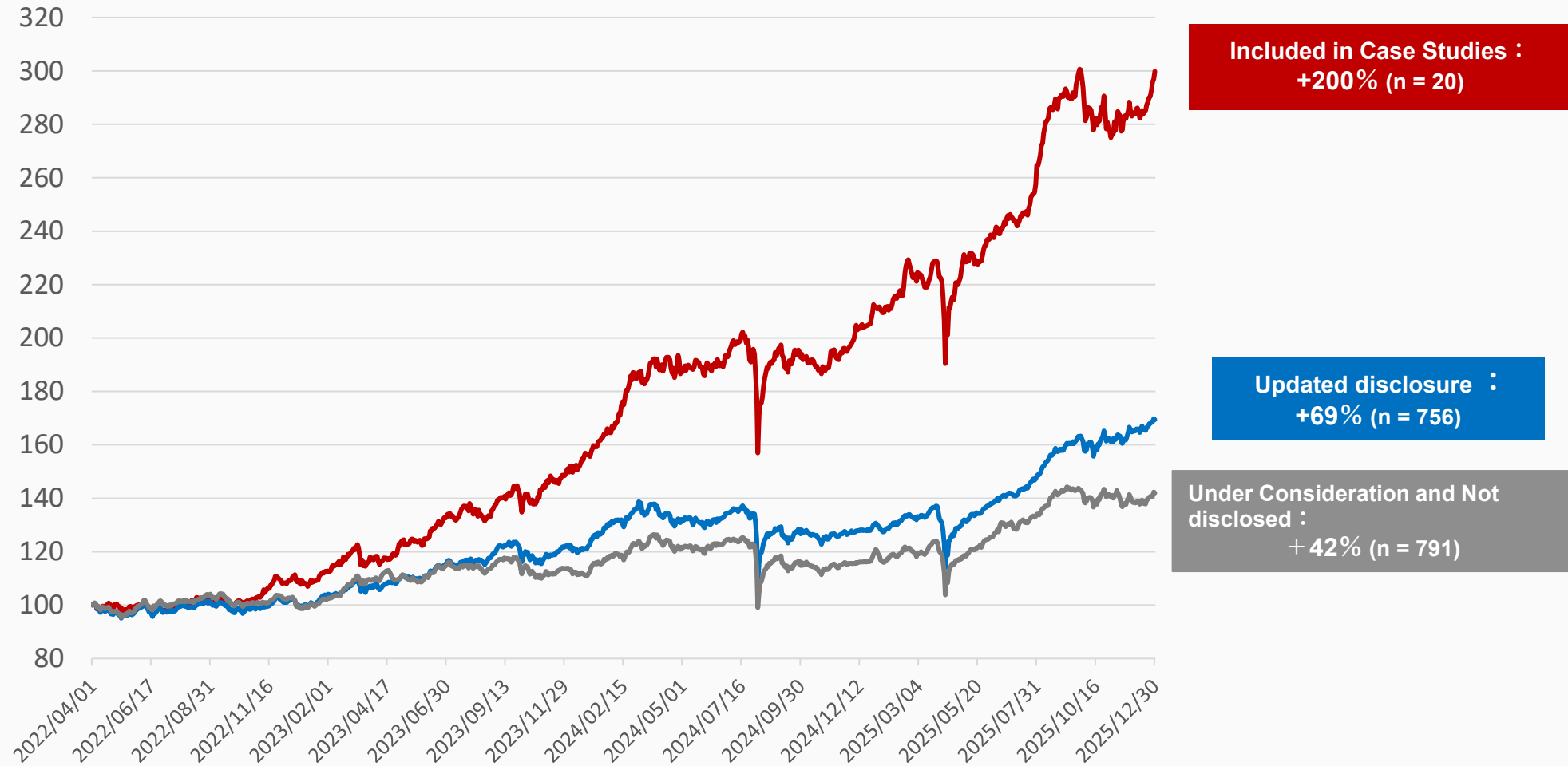
- Examples of initiatives highly rated by investors

Ref.: Stock Prices After Market Restructuring (Prime)



- * Estimations of stock price trends for each category (equal weightings) where prices as of 2022/4/1 are converted to 100.
- * Disclosure status is based on the list of companies that have disclosed information as of November 30, 2025.
- * The target companies are those that are listed as of December 31, 2025.

Ref.: Stock Prices After Market Restructuring (Standard)

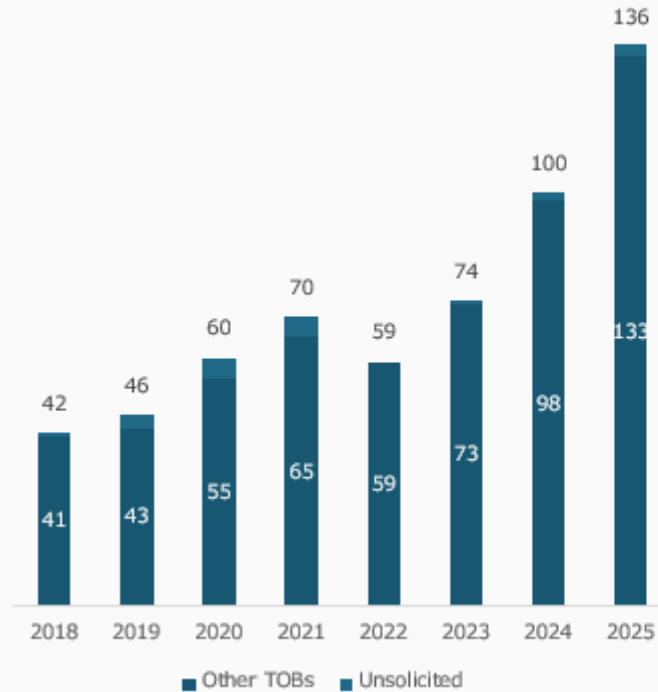


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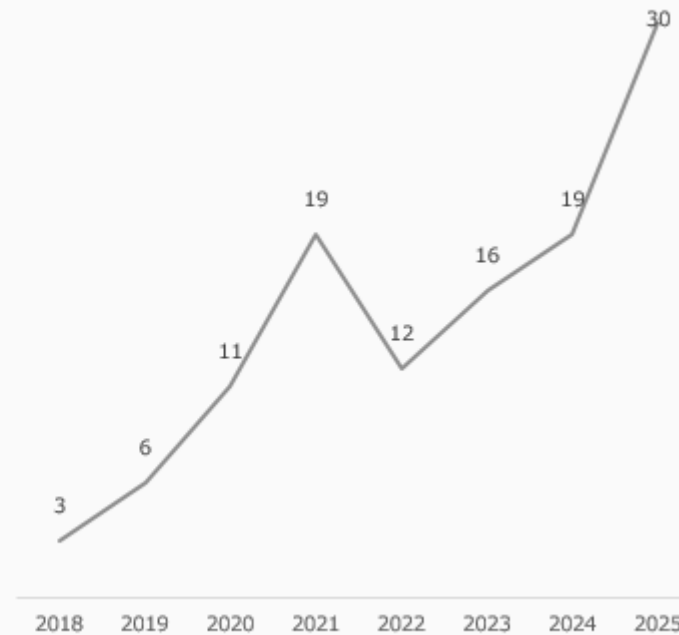
More Takeovers

- The **M&A environment is improving** as guidance from METI and investors spur consolidation
- Tighter voting standards by institutional investors, particularly with regards to “preemptive”-type plans, has contributed to a **significant decline in takeover defense measures**

Number of Takeover Bids



Number of MBO



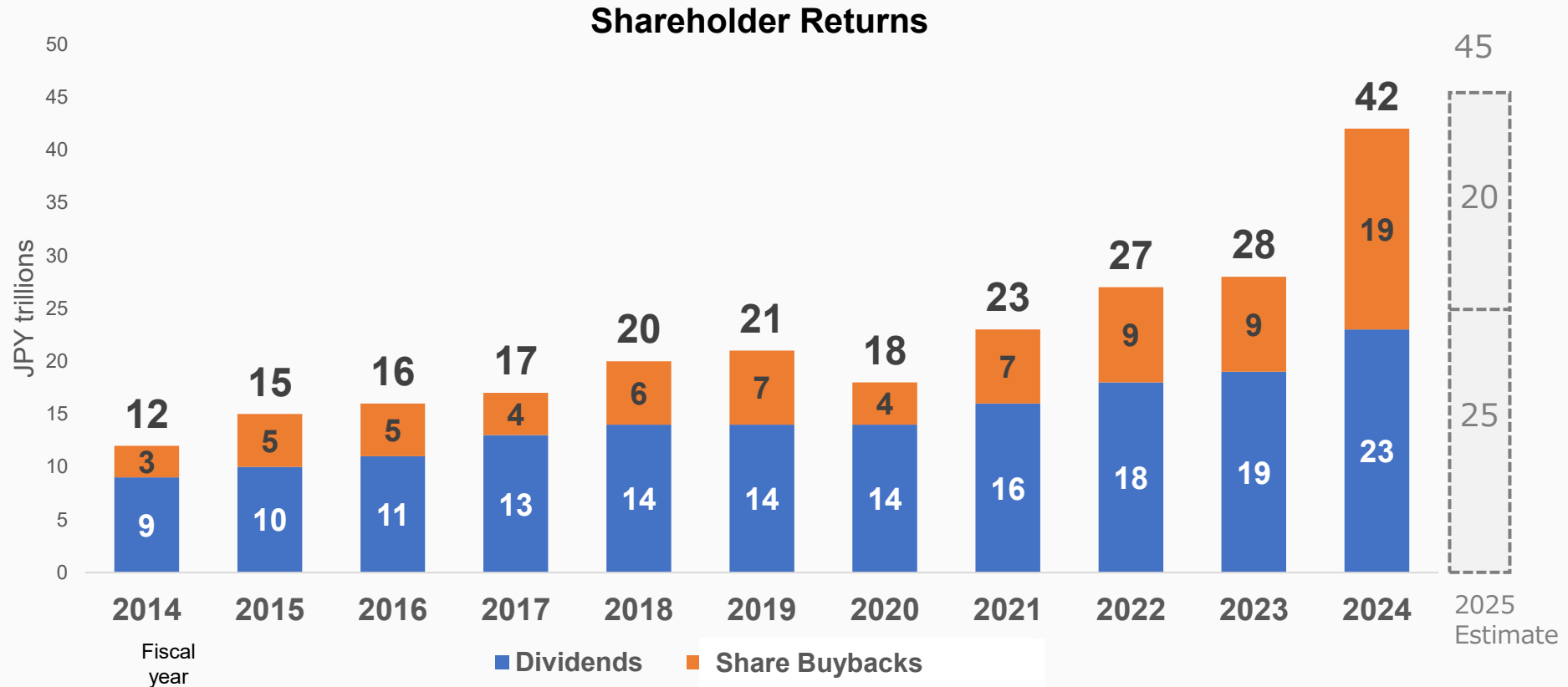
*Excluding MBOs

*Including on going takeover bids

Source: JPX compiled by data from M&A Online

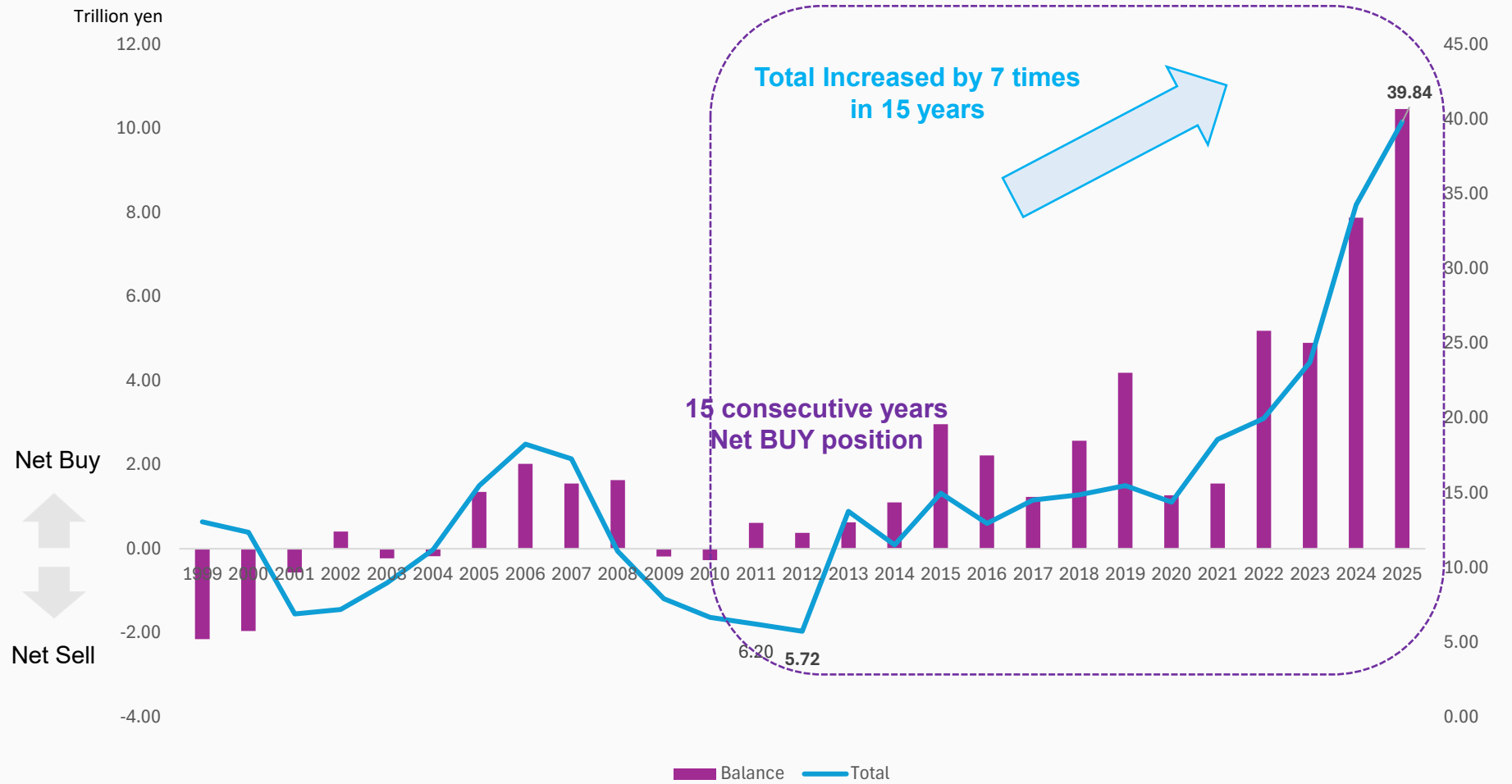
Shareholder Returns

- Buybacks have **risen almost sixfold** over the past decade, while “stickier” **dividends have doubled**
- This trend is **expected to continue** as companies shrink balance sheets to improve capital efficiency



Source: JPX, Ichiyoshi Securities, SBI Okasan Securities, Bloomberg based on data from Okasan Securities

Business Corporations Investment Trend (Total and Balance)



Trillion yen



【Cautionary statement regarding this material】

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